

R-37-E

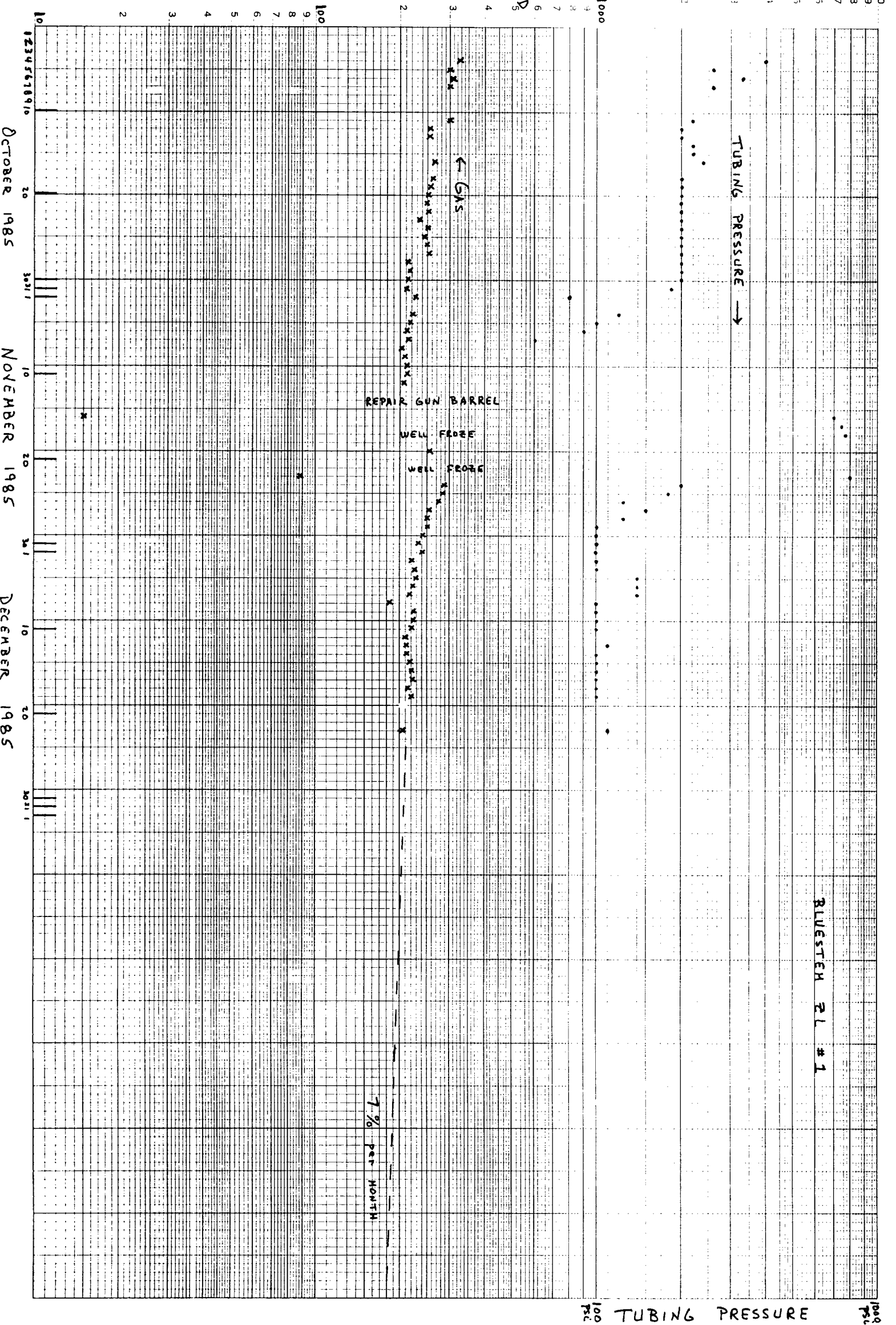
R-38-E

BLUESTEM "ZL" FEDERAL NO. 1
1650 FNL + 2310 FEL
Section 20-8S-38E
Roosevelt County, New Mexico

1. May 1, 1984 Permit to drill filed with BLM for oil well on 40-acre spacing unit.
2. May 7, 1984 Permit to drill approved by BLM.
3. May 21, 1984 Well Spudded.
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7. September 19, 1984 Unorthodox location and non-standard spacing unit on Bluestem "ZL" Federal #1 rescheduled for examiner hearing on this date.
8. May 28, 1985 to June 2, 1985 Flow test and pressure buildup with down-hole pressure guage in well.
9. June 19, 1985 Examiner hearing(Case 8614) on unorthodox location and non-standard spacing unit for Bluestem "ZL" Federal #1.
10. September 18, 1985 Order R-8025 entered.
11. October 1, 1985 Well begins producing.

| | |
|--------------|---|
| 8614 | 2 |
| <i>Yates</i> | |

47 5490

$$p_{ct}/D_5$$


BLUESTEM 7L #1

7.0 TUBING PRESSURE

8614

yates

3

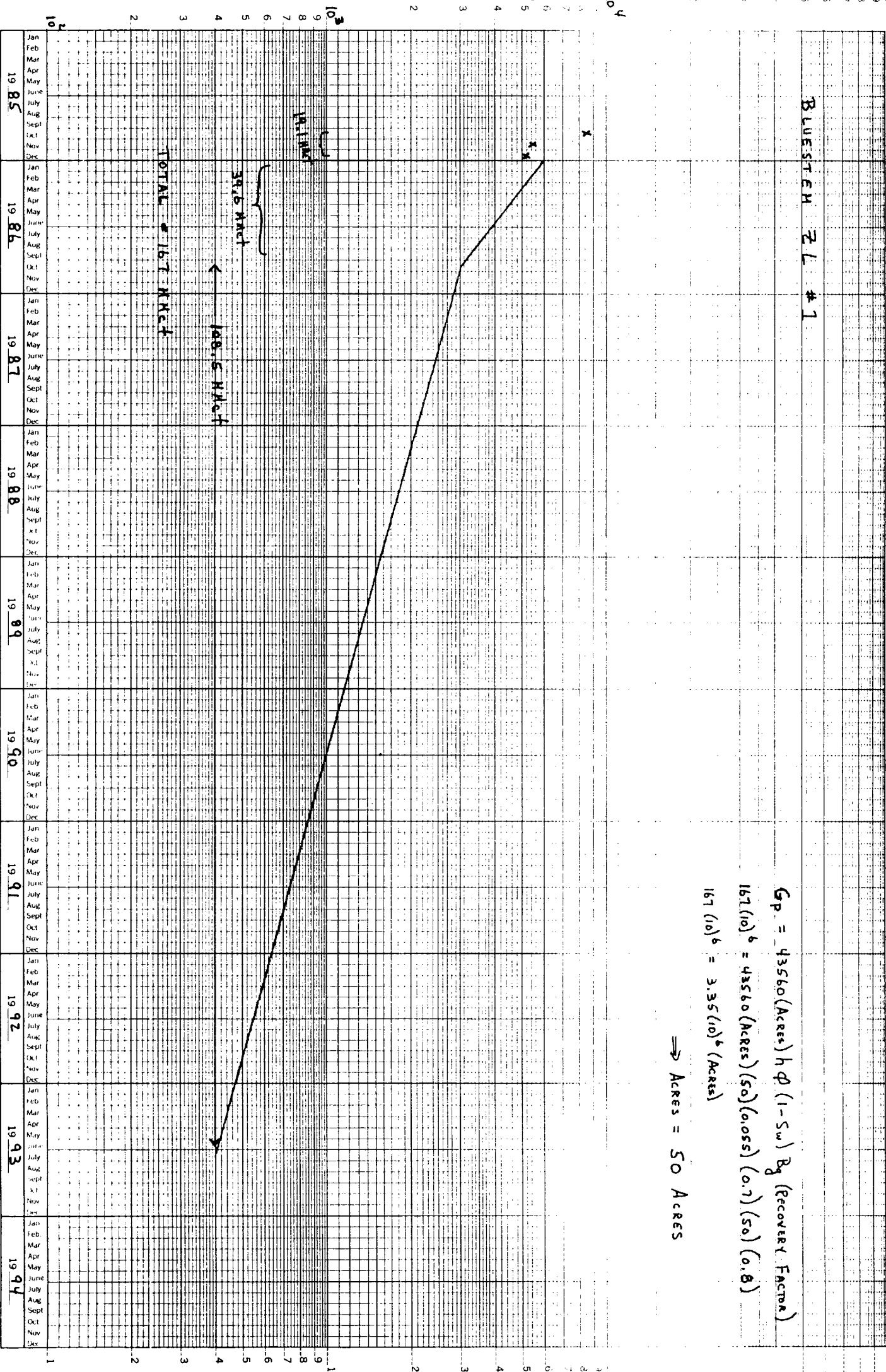
W

Net/Month

BLUESTEM Z.L. #1

$$G_p = 43560(\text{Acres}) h \phi (1-S_w) R_g (\text{RECOVERY FACTOR})$$
$$167(10)^6 = 43560(\text{Acres})(50)(0.055)(0.7)(50)(0.8)$$
$$167(10)^6 = 3.35(10)^6 (\text{Acres})$$

$$\Rightarrow \text{Acres} = 50 \text{ Acres}$$



8614

4

Yalis

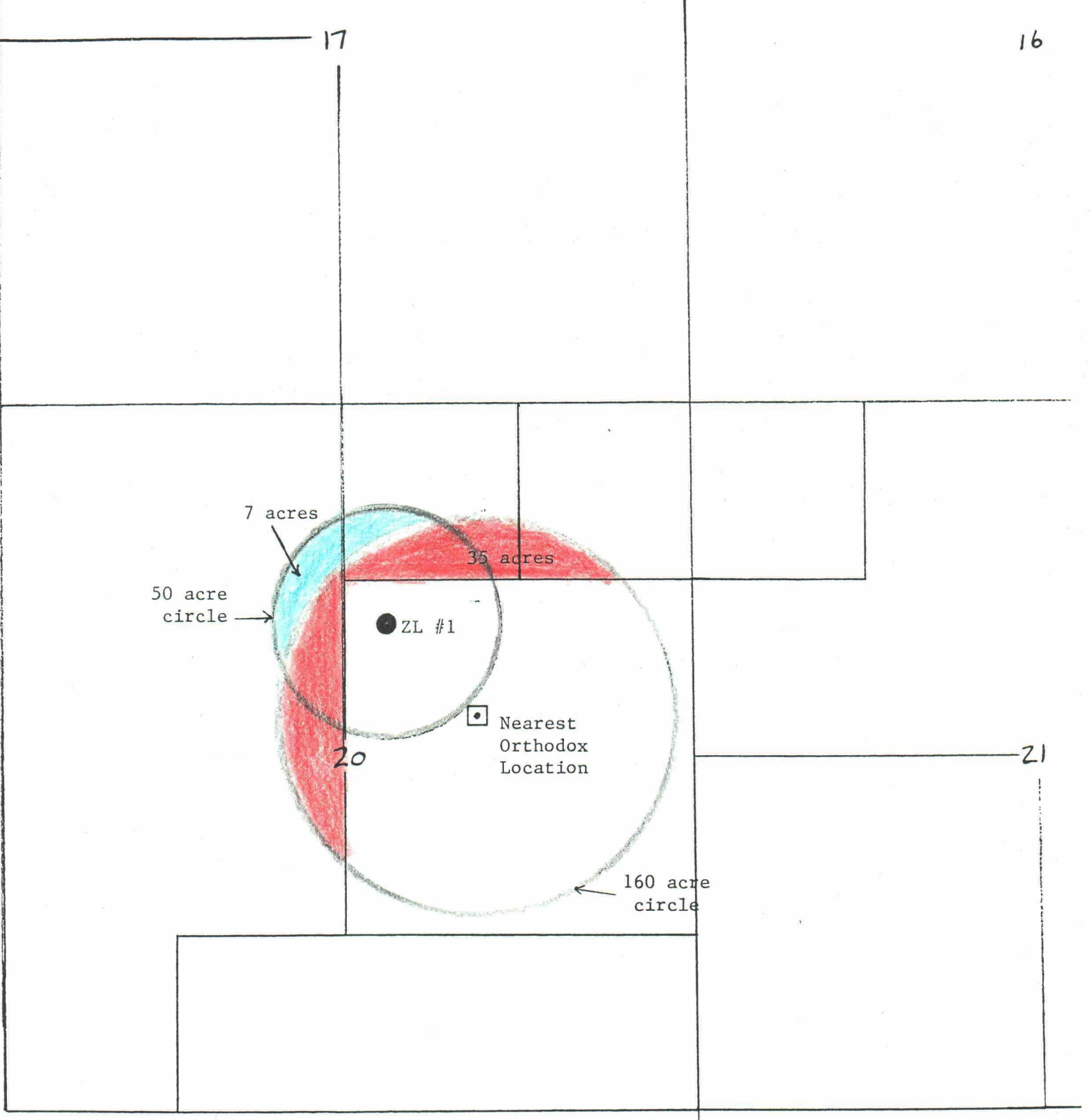


Illustration of Bluestem drainage area.

Here 85% of drainage area lies inside 160 acre circle.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 8614 Exhibit No. 5

Submitted by Yester

Hearing Date _____

ALLOWABLE FACTOR FROM DRAINAGE AREA

BLUESTEM "ZL" FEDERAL NO. 1

ACTUAL LOCATION - 330' from N and W sides of lease

ORTHODOX LOCATION - 990' from N and W sides of lease

SPACING UNIT - 160 Acres on Bluestem lease

| | | |
|---------------|---|----------|
| Drainage Area | = | 50 Acres |
|---------------|---|----------|

| | | |
|--|---|------|
| Fraction of Drainage area on Bluestem Lease | = | 0.55 |
|--|---|------|

| | | |
|--|---|------|
| Fraction of Drainage area on lease or inside 160 acre circle around nearest orthodox location | = | 0.85 |
|--|---|------|

864

Yule

6

6

COMMISSION FORMULA FOR UNORTHODOX LOCATION

ALLOWABLE FRACTION

$$= \frac{1}{3} [D_{ew} + D_{ns} + F_{ex}] \times A_{su}$$

where

$$(1) D_{ew} = \frac{\text{Actual EW distance to nearest edge of spacing unit}}{\text{Shortest EW distance allowed for orthodox location}}$$

is distance east-west factor

$$(2) D_{ns} = \frac{\text{Actual NS distance to nearest edge of spacing unit}}{\text{Shortest NS distance allowed for orthodox location}}$$

is distance north-south factor

$$(3) F_{ex} = 1 - \frac{A_{ex}}{\text{Acres in standard spacing unit}}$$

is excess outside acreage factor

and A_{ex} = acres in crescent formed by circles centered at actual location and at nearest orthodox location such that each circle has same area as a standard spacing unit.

$$(4) A_{su} = \frac{\text{Acres in non-standard spacing unit}}{\text{Acres in standard spacing unit}}$$

is spacing-unit factor

8614

Yale

7

7

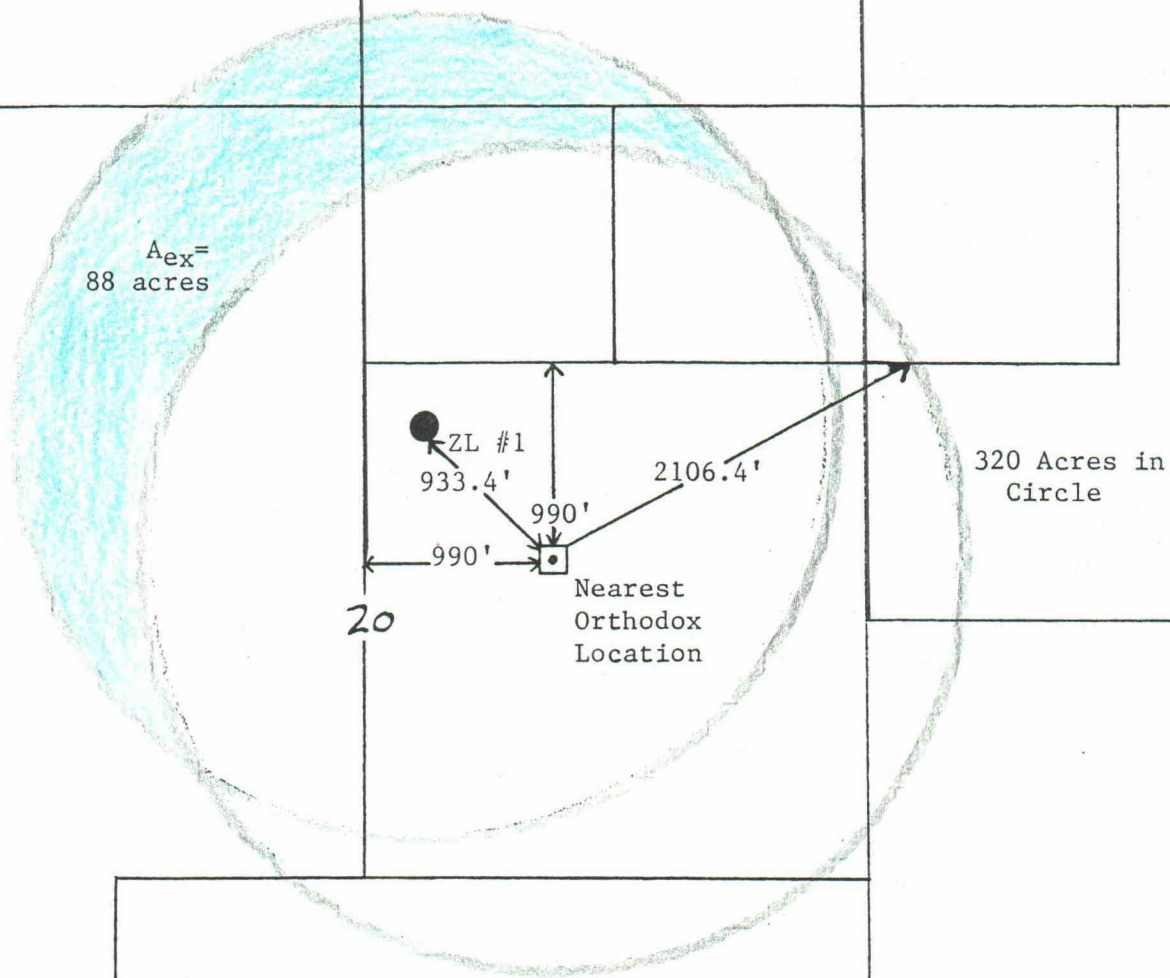


Illustration of excess outside acreage as used in Commission formula for unorthodox location.

| | |
|---|----------------------|
| BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico | |
| Case No. <u>8614</u> | Exhibit No. <u>8</u> |
| Submitted by <u>Yalis</u> | |
| Hearing Date _____ | |

COMPARISON OF COMMISSION FORMULA WITH DRAINAGE AREA

BLUESTEM FACTS

- a. Standard Spacing Unit = 320 Acres
- b. Non-Standard Spacing Unit = 160 Acres
- c. Actual E-W distance = 330 feet
- d. Actual N-S distance = 330 feet
- e. E-W distance for orthodox location = 990 feet
- f. N-S distance for orthodox location = 990 feet

| ASSUMED DRAINAGE AREA (ACRES) | ALLOWABLE FACTOR BY COMMISSION FORMULA | FRACTION OF DRAINAGE AREA ON BLUESTEM LEASE | FRACTION OF DRAINAGE AREA ON LEASE OR WITHIN 160 ACRE CIRCLE AROUND NEAREST ORTHODOX LOCATION |
|----------------------------------|---|--|---|
| 40 | 0.232 | 0.58 | 0.90 |
| 80 | 0.232 | 0.48 | 0.71 |
| 160 | 0.232 | 0.41 | 0.62 |
| 320 | 0.232 | 0.36 | 0.47 |
| 640 | 0.232 | 0.24 | 0.29 |

0300

8614

Yale

9

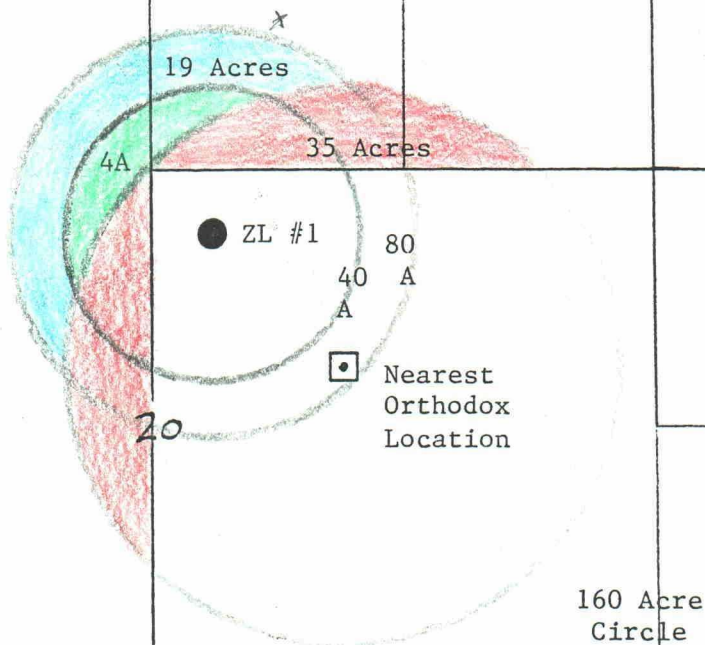


Illustration of allowable factor based on acres drained inside and outside spacing unit.

Here drainage areas of 40 and 80 acres are shown.

THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 8614 Exhibit No. 10

Submitted by: Yale

Hearing Date _____

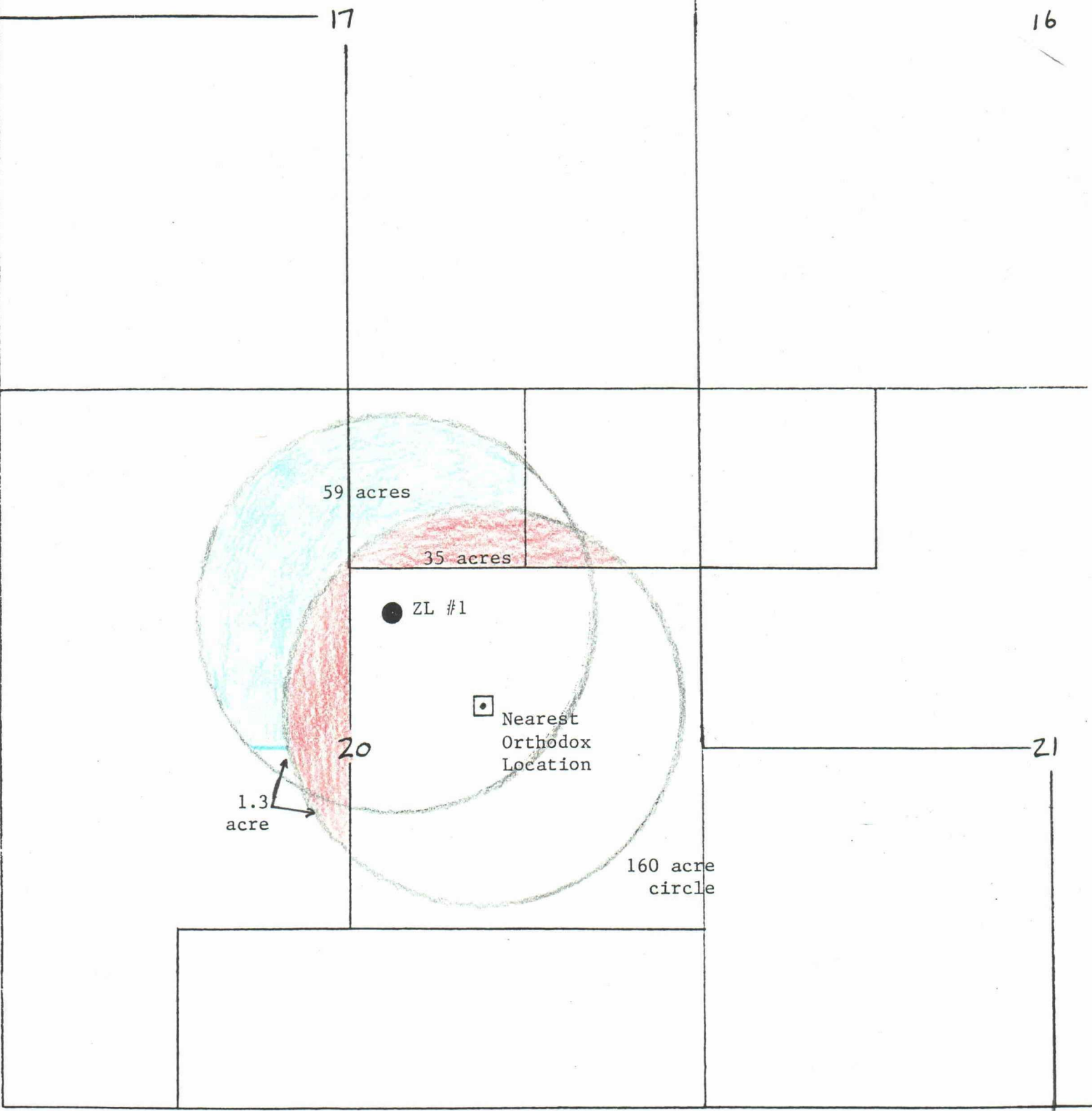


Illustration of allowable factor based on acres drained inside and outside spacing unit.

Here drainage area is 160 acres.

| | |
|--|-----------------------|
| LITRE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico | |
| Case No. <u>8614</u> | Exhibit No. <u>11</u> |
| Submitted by <u>yaleis</u> | |
| Hearing Date _____ | |

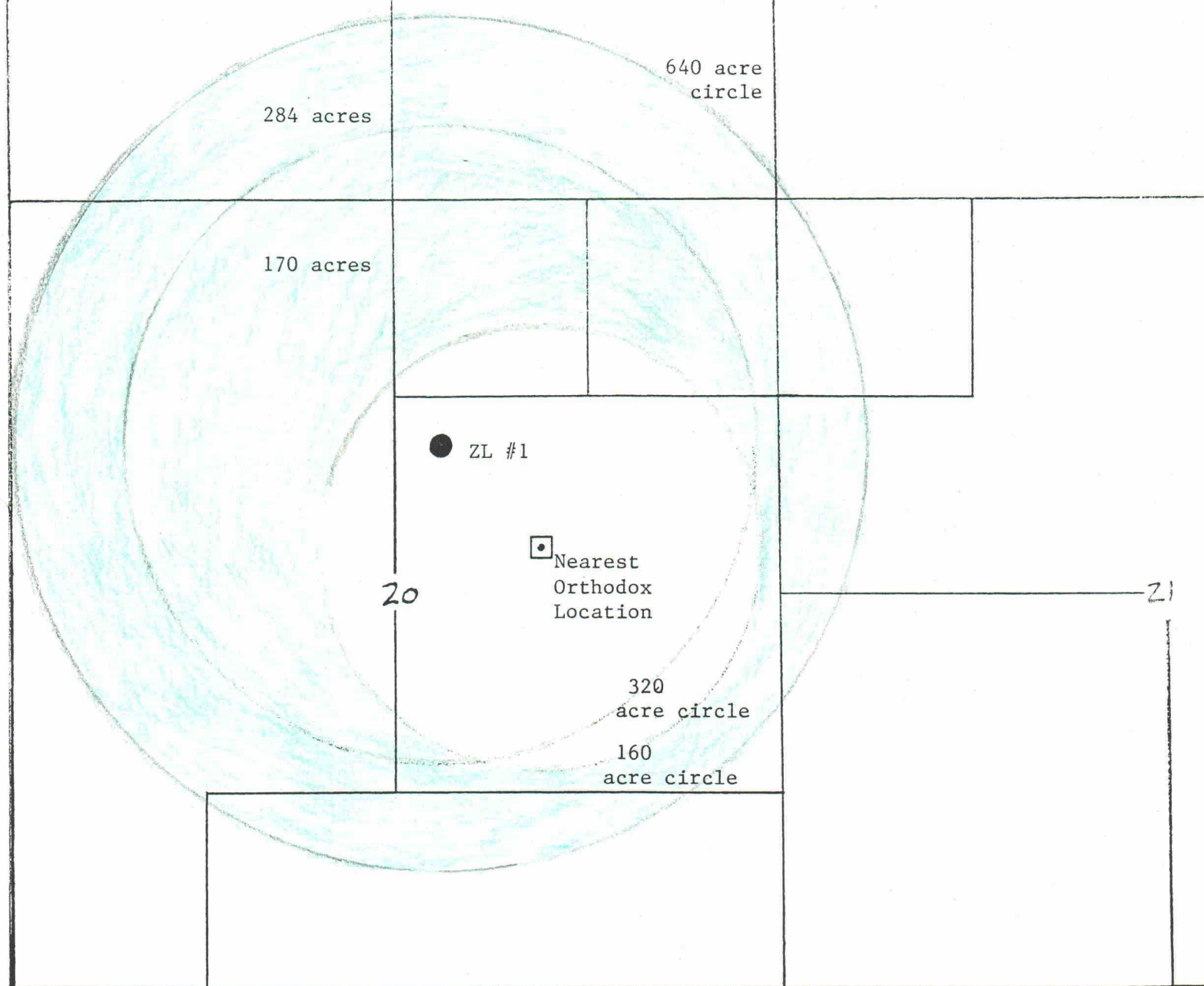


Illustration of allowable factor based on acres drained inside and outside spacing unit.

Here drawing areas of 320 and 640 acres are shown.

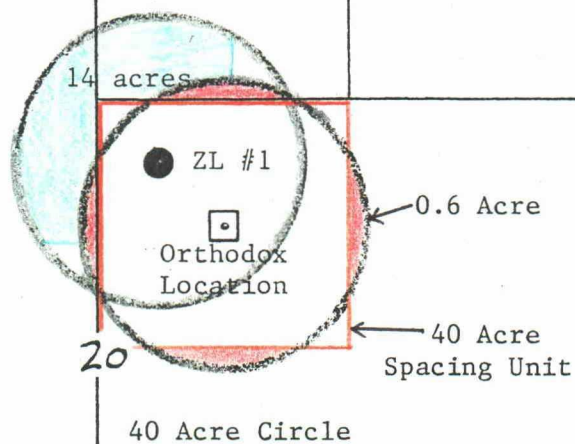
FILED THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 8614 Exhibit No. 12
Submitted by Yalis
Hearing Date _____

12

17

16



20

21

Case where Yates owns only 40 acres and well drains 40 acres.

Commission Formula --- Allowable Factor = 0.078

But 0.58 of drainage area lies on lease.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 8614 Exhibit No. 13

Submitted by Yates

Hearing Date _____

CALCULATION OF COMMISSION FORMULA FOR CASE

WHERE YATES IS ASSUMED TO OWN 40 ACRES

$$\text{ALLOWABLE FRACTION} = \frac{1}{3} [D_{ew} + D_{ns} + F_{ex}] \times A_{su}$$

Here Yates Eluestem ZL #1 - 330 FNL and 330 FWL of Lease

"Orthodox Location - 660 FNL and 660 FWL of Lease

Standard Proration Unit = 320 Acres

Non-Standard Proration Unit = 40 Acres

Now (1) East-West Factor $D_{ew} = \frac{330}{660} = \underline{0.50}$

(2) North-South Factor $D_{ns} = \frac{330}{660} = \underline{0.50}$

(3) Excess Outside Acreage Factor

$$r = 2106.4 \text{ ft for 320-acre circle}$$

Area (A_{ex}) of crescent between two circle of radius r centered a distance x apart is

$$A_{ex} = 2 \times \sqrt{r^2 - \left(\frac{x}{2}\right)^2}$$

$$\text{where } x = 466.7 \text{ feet}$$

$$A_{ex} = 2 (466.7) \sqrt{(2106.4)^2 - (233.3)^2} = 1954000 \text{ ft}^2 \\ = 44.8 \text{ Acres}$$

and

$$F_{ex} = 1 - \frac{44.8}{320} = \underline{0.86}$$

(4) Spacing Unit Factor

$$A_{su} = \frac{40}{320} = \underline{0.125}$$

8614

14

yale

Then

$$\text{Allowable Factor} = \frac{1}{3} [D_{ew} + D_{ns} + F_{ex}] \times A_{su}$$

$$\text{Allowable Factor} = \frac{1}{3} [0.50 + 0.50 + 0.86] \times 0.125$$

$$\text{Allowable Factor} = \underline{\underline{0.078}}$$

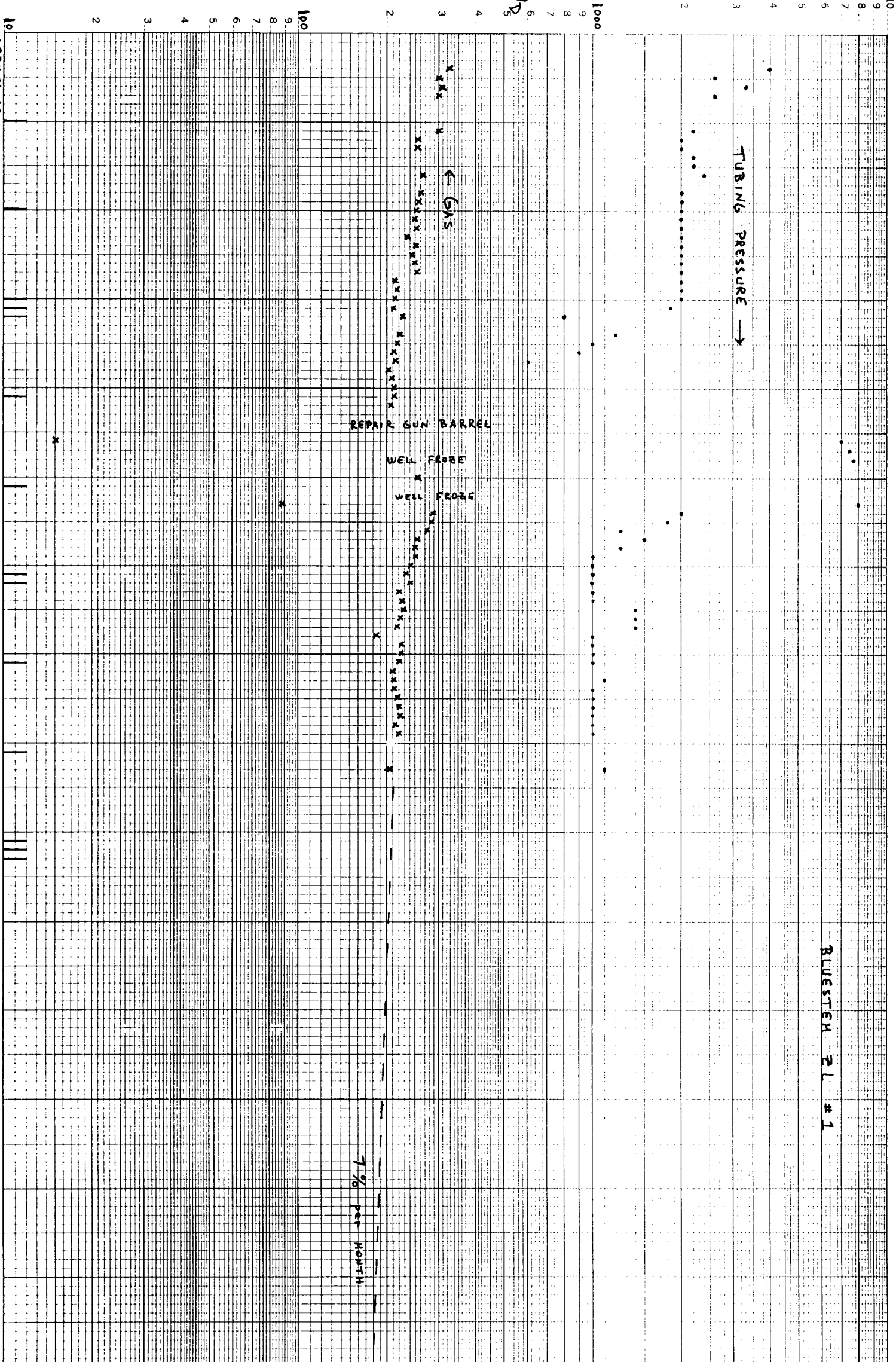
regardless of actual drainage area of well

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McK/D

OCTOBER 1985
NOVEMBER 1985
DECEMBER 1985



BLUESTEM 2L #1

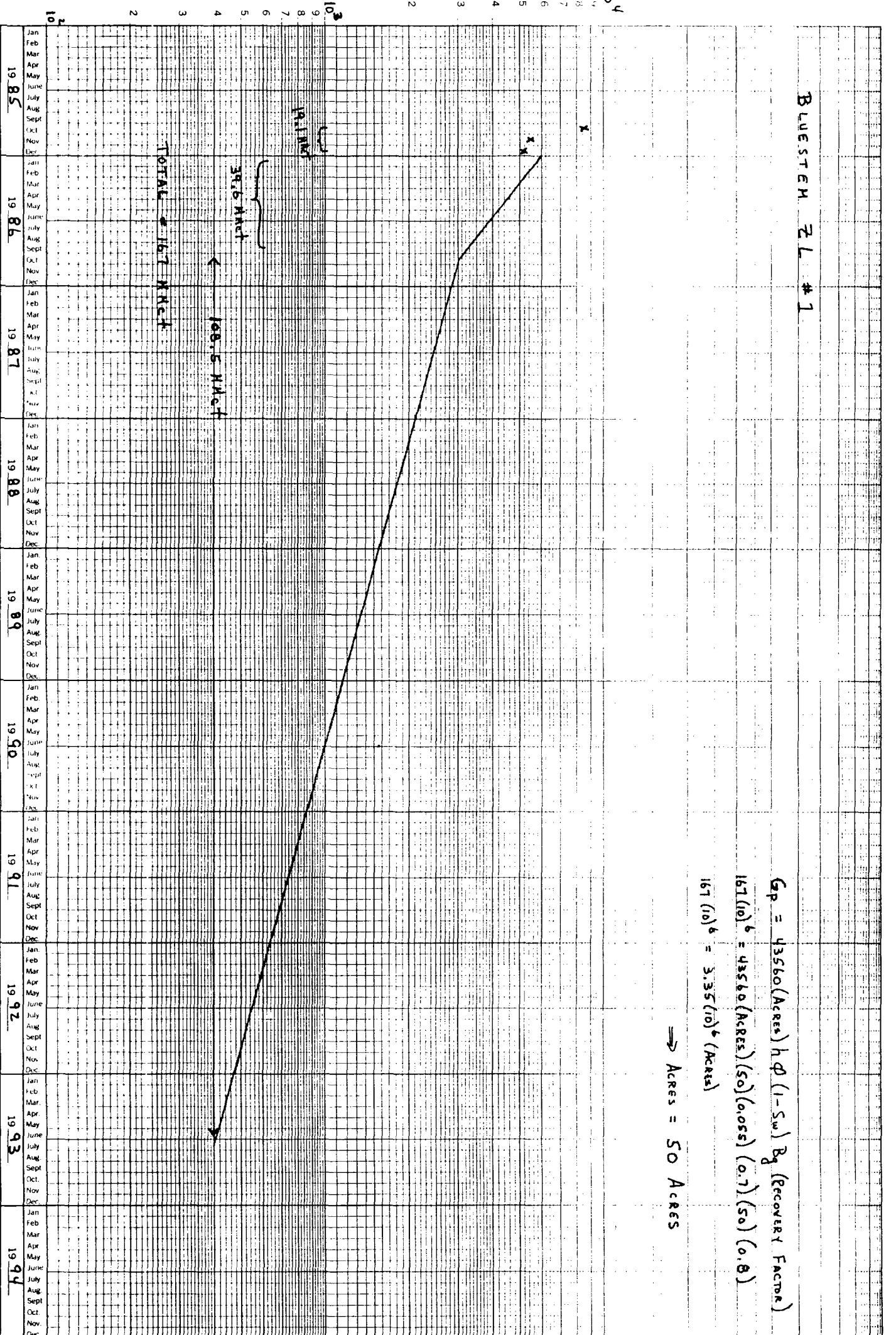
7% per MONTH

Net/Month

BLUESTEM ZL #1

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$$167(10)^6 = 3.35(10)^6(\text{Acres})$$

⇒ Acres = 50 Acres



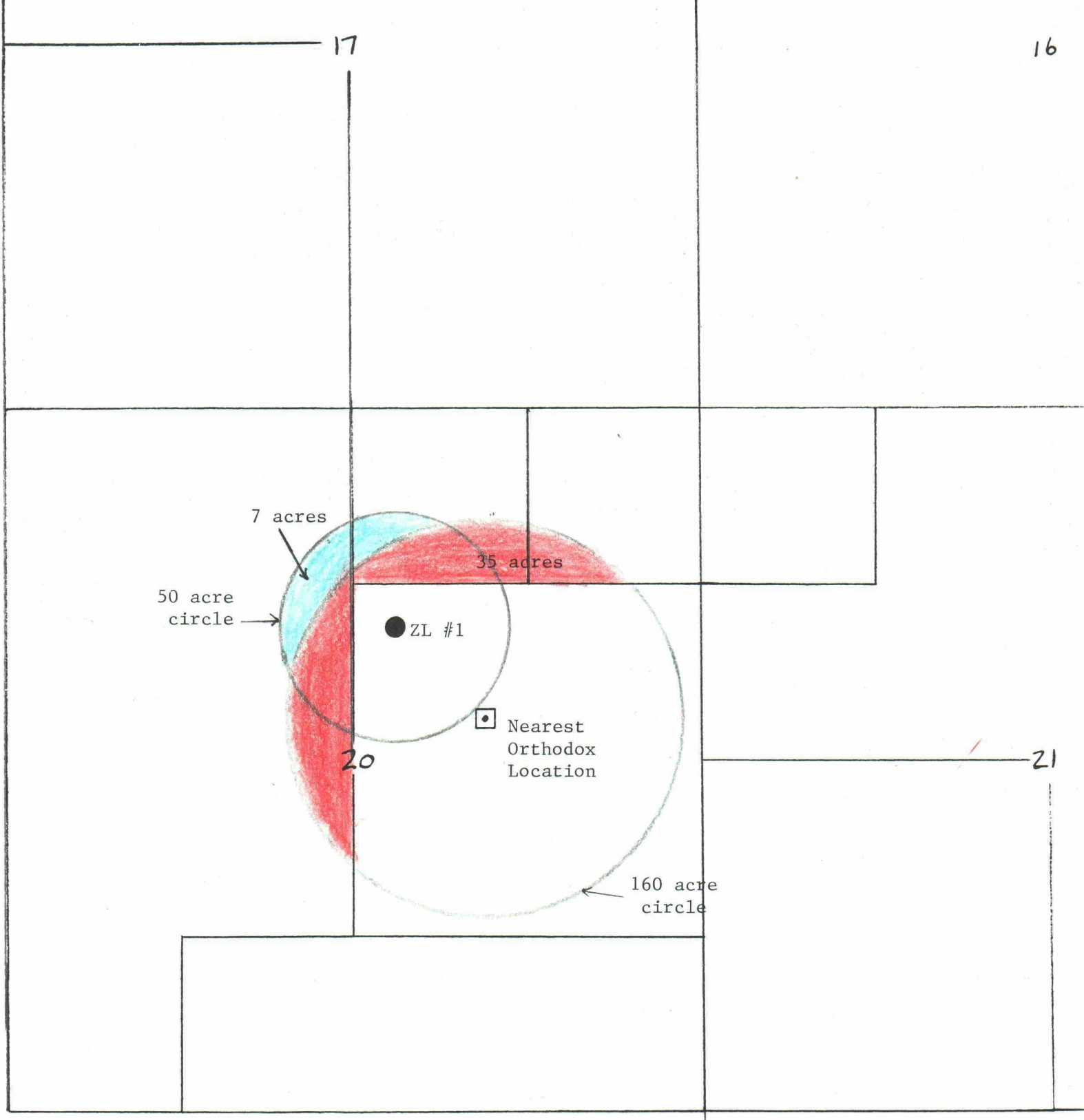


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ALLOWABLE FACTOR FROM DRAINAGE AREA

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COMMISSION FORMULA FOR UNORTHODOX LOCATION

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is spacing-unit factor

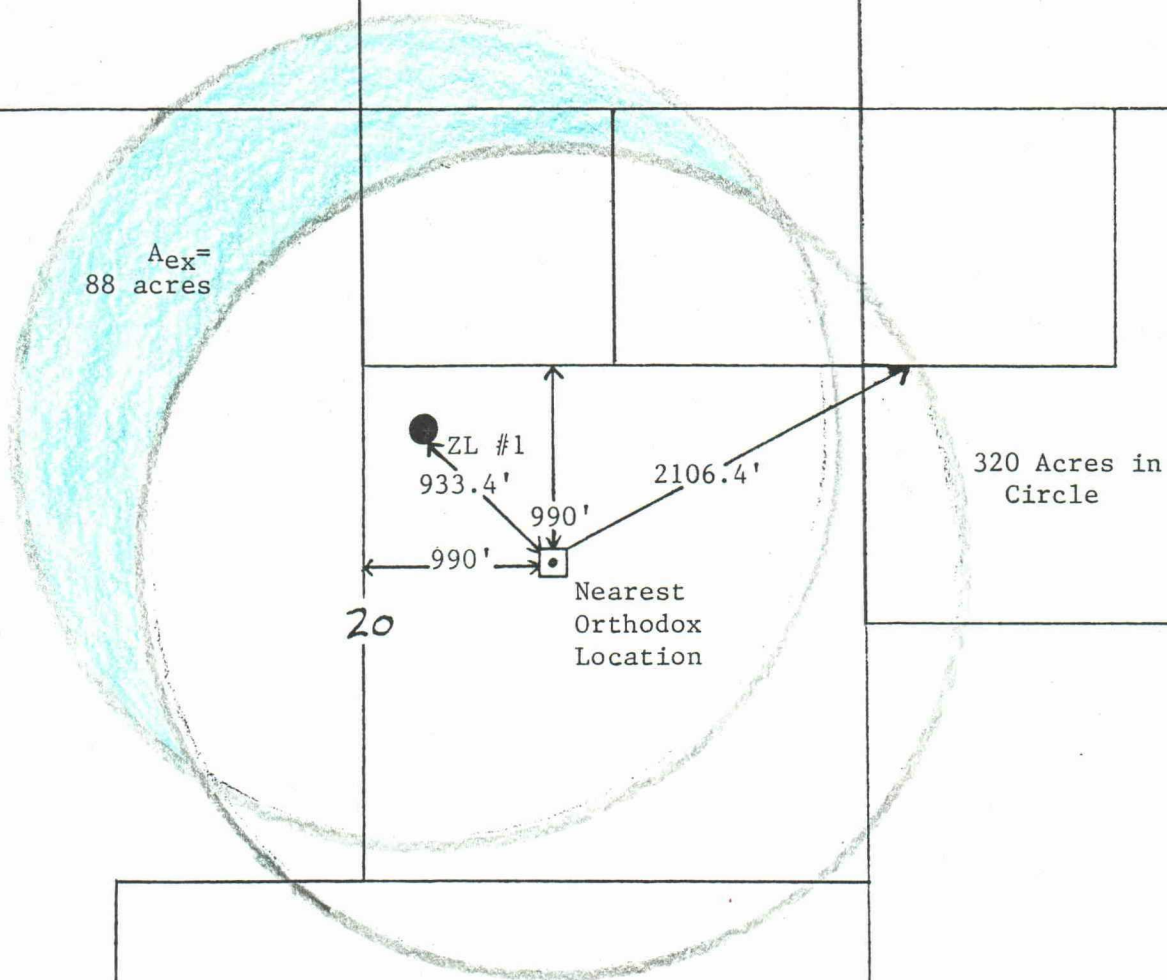


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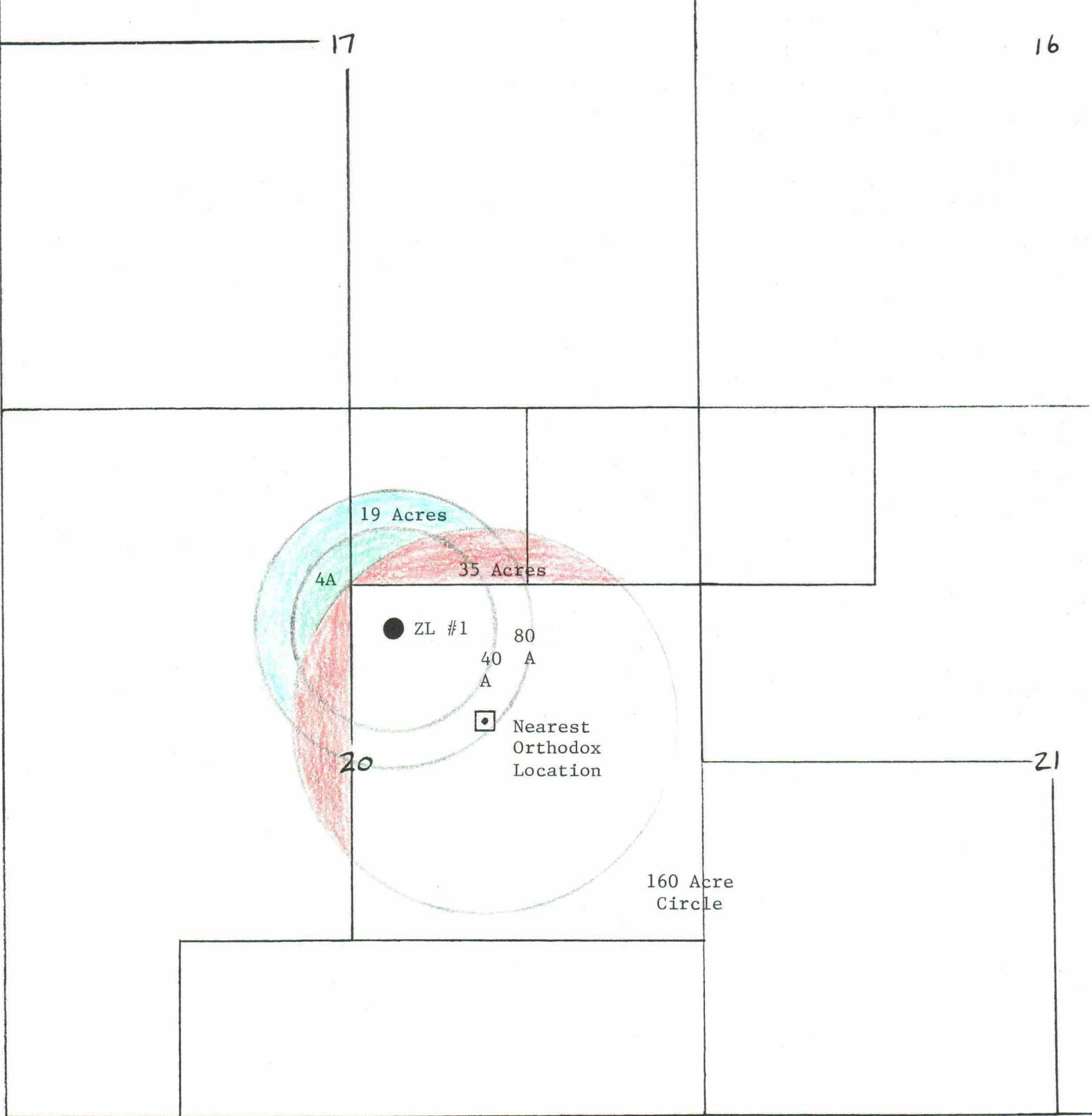


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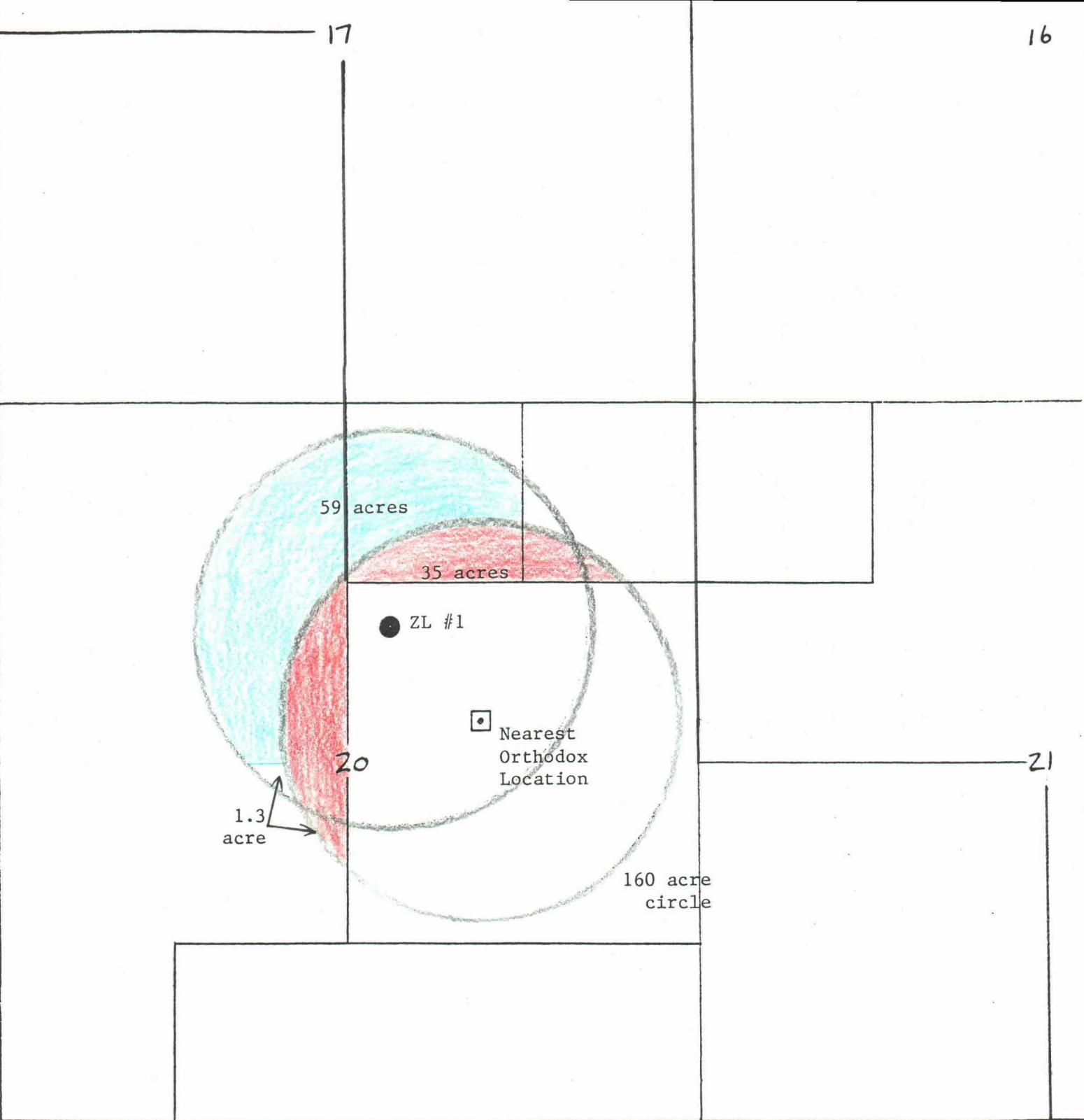


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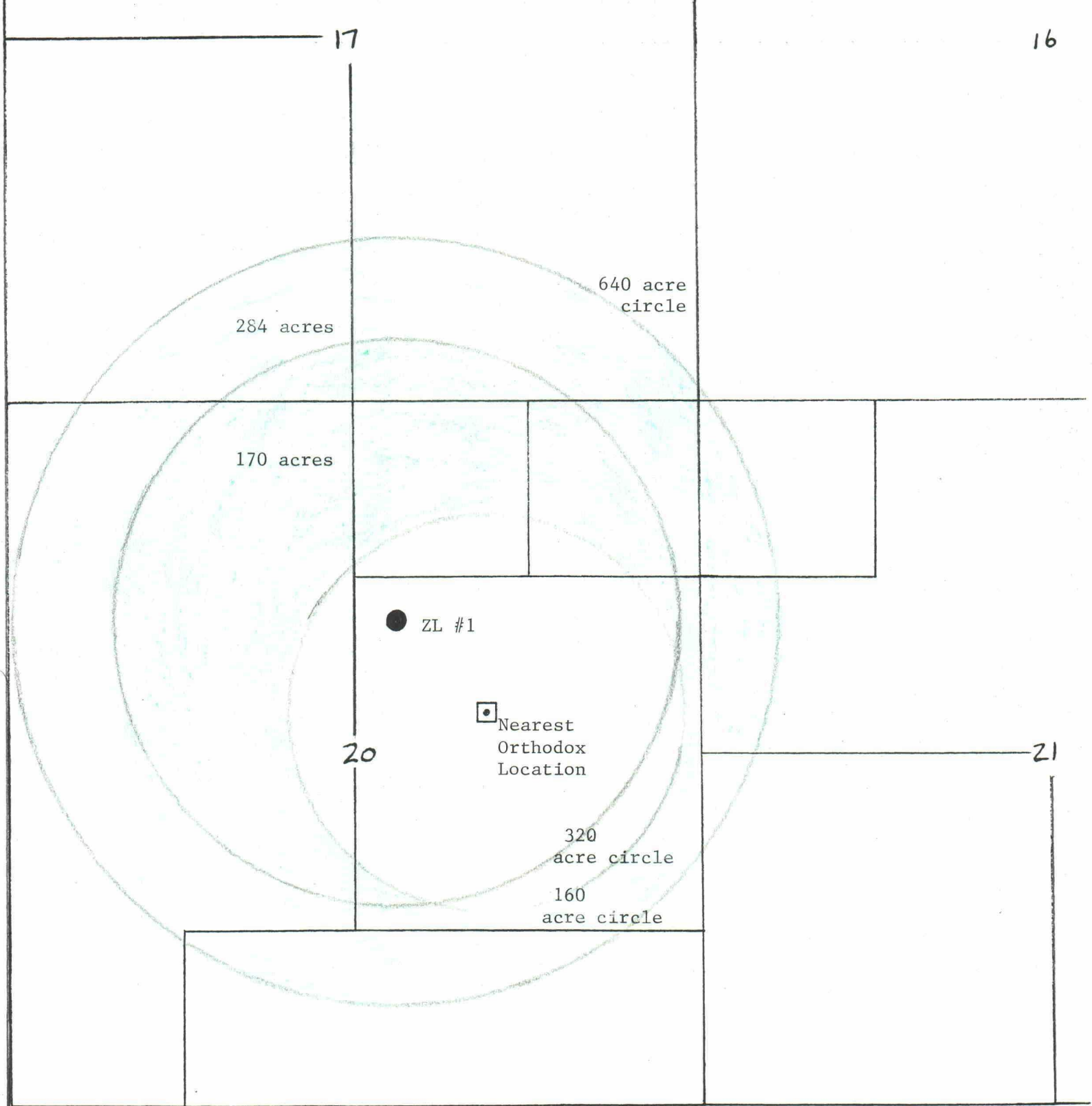
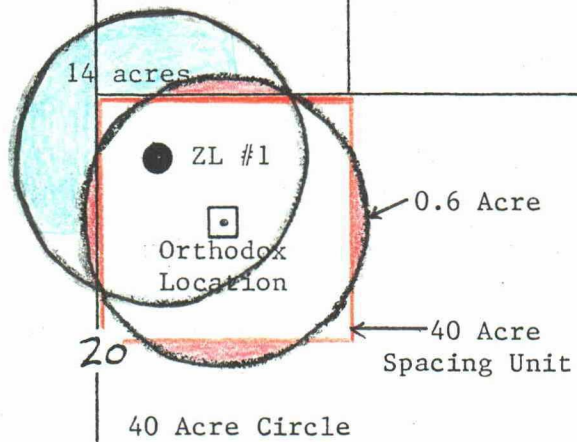


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17

16



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(4) Spacing Unit Factor

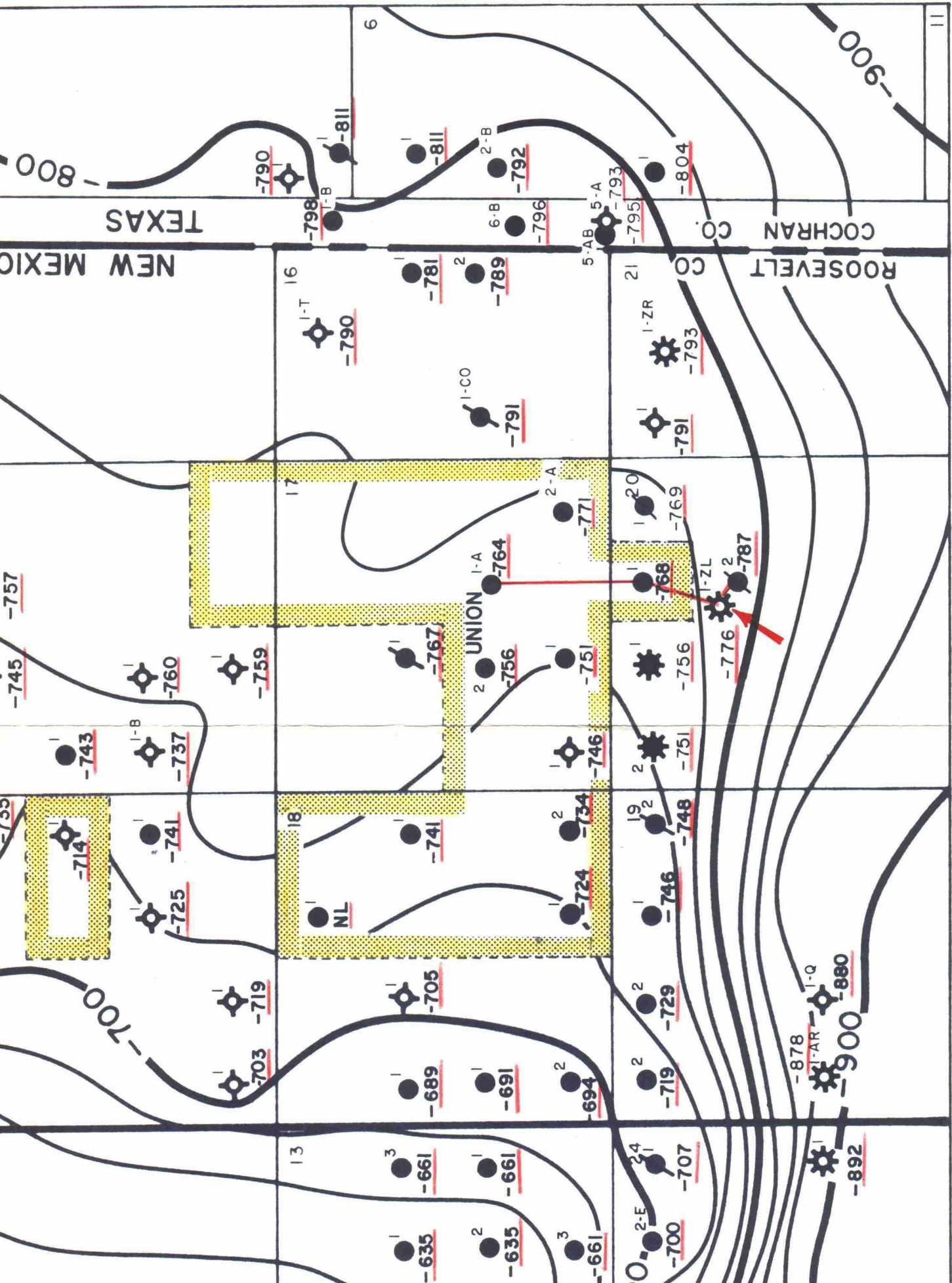
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$$\text{Allowable Factor} = \frac{1}{3} [0.50 + 0.50 + 0.86] \times 0.125$$

$$\text{Allowable Factor} = \underline{\underline{0.078}} \quad \text{regardless of actual drainage area of well}$$



BLUITT SAN ANDRES ASSOCIATED POOL
ROOSEVELT COUNTY, NEW MEXICO